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**Date:** 12/15/2009  
**GAIN Report Number:** TH9192

## **Thailand**

**Post:** Bangkok

### **Weekly Rice Update**

**Report Categories:**

Grain and Feed

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**Report Highlights:**

TH9192 Domestic and export prices continued to spiral upward, driven by speculative demand. The government intervention stock release plan remains uncertain. Current domestic prices are also volatile responding to the Philippine tenders.

## Market Tone

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Dec. 15, 2009**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PR.V.
FWR 100 B	1,010	-	990	-	1,000	970	-	993	993
WR 100 B	630	-	620	-	620	620	-	623	611
PB 100%	640	-	635	-	620	620	-	629	619
PB 5%	630	-	625	-	610	615	-	620	610
WR 5%	610	-	610	-	610	595	-	606	597
WR 10%	600	-	-	-	600	585	-	595	587
WR 15%	565	-	-	-	-	565	-	565	553
WR 25%	530	-	-	-	-	525	-	528	515
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	415	-	-	-	375	455	-	415	400
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.0 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices continued to spiral upward, driven by speculative demand as stakeholders anticipate a repeat of the mid-2008 price crisis when premium white rice prices neared \$1,000/MT. Some exporters hesitated to give quotes in an effort to downplay speculation by local paddy rice traders/millers on their attempts to corner the market. In addition, lower milling activity has resulted in limited supplies of broken rice and bran, which has increased feed grain prices. Importer enquiries were reportedly limited just to meet short-term needs. Most exporters are focusing on fulfilling their end-of-year shipments, but are not relying on government stocks as the government's stock release plan remains uncertain.

Current domestic prices are also volatile, as a response the substantial Philippine tenders and speculation from traders/millers. The Philippine tender on December 8 indicated a deceleration in bidding prices which were approximately 10 percent higher than the bidding prices on December 1. This in contrast to the bidding prices on December 1 which were approximately 32 percent higher than the tenders on November 6, 2009. Vietnamese rice origin will likely dominate all the Philippine tenders, including December 15 tender, as its prices are approximately 10-20 percent lower than Thai prices.

Domestic prices of white rice paddy are presently higher than insured prices. The National Rice Policy Committee agreed to revise the insurance prices of the off-season-crop price insurance scheme which will begin January 1, 2010. The insurance prices for Pathumthani fragrant rice will increase to 11,000 baht (\$333/MT), as compared to 10,000 baht (\$303/MT). Meanwhile, those of white rice and glutinous rice paddy remain unchanged at 10,000 baht/ton (\$303/MT), and 9,500 baht/ton (\$287/MT), respectively. However, the eligible tonnage has not been finalized but is expected to increase by 20 percent due to higher average yield of off-season crops which are cultivated solely on irrigated areas.

**Table 2: Price Insurance Scheme for MY 2009/2010 rice crop**

	Rice paddy				
	Fragrant rice (Hommali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) <sup>a/</sup>	14	16	25	16	25
2. Insured prices (Baht/ton) <sup>a/</sup>	15,300	14,300	10,000	9,500	10,000
3. Benchmark prices (Baht/ton) <sup>b/</sup>					
Oct. 1-15	14,986	13,899	9,896	7,523	8,806
Oct. 16-31	14,940	13,860	8,940	7,470	8,466
Nov. 1-15	14,840	13,729	9,175	7,680	8,389
Nov. 16-30	13,002	12,620	10,501	8,473	8,914
Dec. 1-15	13,720	13,388	10,565	9,591	9,242
4. Compensation (1-2), (Baht/ton)					
Oct. 1-15	314	401	104	1,977	1,194
Oct. 16-31	360	440	1,060	2,030	1,534
Nov. 1-15	460	571	825	1,820	1,611
Nov. 16-30	2,298	1,680	-	1,027	1,086
Dec. 1-15	1,580	912	-	-	758
5. Market prices (Baht/ton)					
Oct. 1-15	n.a.	n.a.	8,500	n.a.	8,600
Oct. 16-31	13,675	n.a.	8,575	n.a.	8,150
Nov. 1-15	14,075	14,000	9,775	8,800	8,525
Nov. 16-30	14,577	14,000	10,550	8,967	9,600
Dec. 1-15 <sup>c/</sup>	15,117	14,000	11,950	11,417	10,700

Note:

<sup>a/</sup> Cabinet approval on Sep. 22, 2009

<sup>b/</sup> The benchmark prices will be published twice a month on the 1st and 16th, based on average historical wholesale prices of the last 15 days in Bangkok. These prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary of Ministry of Commerce.

<sup>c/</sup> As of Dec. 14, 2009

## Rice Export Update

Unofficial exports (excluding fragrant rice) for December 7-13, 2009 totaled 116,586 tons, up 36,086 tons from the previous week, and up 20,096 tons from the four-week moving average of 96,490 tons. Exports of white rice during January 1 – December 13, 2009 totaled 5,622,620 tons, as compared with 7,258,099 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – November 20, 2009 amounted to 7,695,349 tons, down 17.3 percent from 9,305,692 tons in the previous year.

**Table 3: Weekly rice exports(excluding fragrant rice)**

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Sep 27	116,648	124,635	4,464	6,383	-30.1
Oct 4	96,150	122,247	4,560	6,468	-29.5
Oct 11	108,202	115,782	4,669	6,536	-28.5
Oct 18	102,396	105,849	4,771	6,692	-28.7
Oct 25	145,259	113,002	4,916	6,771	-27.4
Nov 1	114,220	117,520	5,030	6,827	-26.3
Nov 8	93,983	113,965	5,124	6,908	-25.8
Nov 15	112,300	116,441	5,237	6,997	-25.2
Nov 22	113,768	108,568	5,350	7,047	-24.1
Nov 29	75,104	98,789	5,426	7,101	-23.6
Dec 6	80,501	95,418	5,506	7,170	-23.2
Dec 13	116,586	96,490	5,623	7,258	-22.5

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Source: Board of Trade of Thailand

**Table 4: Weekly private registered rice export sales**

Movement (MT)	Nov. 23-27	Nov. 30 - Dec. 4	Dec. 7-13
Weekly sales	85,654	150,961	115,601
4 week sum	362,438	436,485	402,845
4 week mov. avg.	90,610	109,121	100,711
Total weekly sales	5,758,080	5,909,041	6,024,642

End of report